



**TESTIMONY IN SUPPORT OF**  
**S.B. 1070, AN ACT CONCERNING ABANDONED AND BLIGHTED PROPERTY**  
**CONSERVATORSHIP**  
**AND H.B. 7277, AN ACT CONCERNING CREATION OF LAND BANK AUTHORITIES**

March 18, 2019

Sen. Cassano, Rep. McCarthy Vahey, and members of the Committee, I am Jim Horan, Executive Director of the Hartford and Connecticut offices of LISC, the Local Initiatives Support Corporation, a nonprofit organization that works to revitalize cities by supporting community development corporations. I am here today representing the Connecticut Blight Remediation Coalition, a group of municipalities organized in 2017 and coordinated by LISC with support from the Harold Webster Smith Foundation. I am also a member of the Hartford Land Bank board, and LISC is the fiscal sponsor of the Hartford Land Bank, until the IRS approves its pending 501(c)(3) application.

The Blight Remediation Coalition strongly supports H.B.7277, An Act Concerning Creation of Land Bank Authorities and S.B. 1070, An Act Concerning Abandoned and Blighted Property Conservatorship. Each bill will provide an additional tool for municipalities working to fight blight. Blight plagues big cities like Bridgeport and New Haven, but also is a problem in smaller communities like Derby, Torrington and Windsor Locks, which are all part of the Coalition.

S.B. 1070 is modeled on statutes in Pennsylvania and Massachusetts. Conservatorship is a mechanism to transform blighted and abandoned buildings into productive reuse. It allows banks and nonprofit organizations to make improvements without having to wait for the lien foreclosure process to be resolved.

Only properties declared a public nuisance, blighted, or unfit for occupancy are eligible for conservatorship. A conservator takes control of a property from an owner for a period determined by the court. A conservator must submit a plan to rehabilitate the building or property to the court for review and approval. A conservator can collect rent and other receivables, enter into contracts to repair the property, borrow money, and apply for grants.

LOCAL INITIATIVES SUPPORT CORPORATION  
Hartford and Connecticut Statewide  
75 Charter Oak Avenue, Suite 2-250 • Hartford, CT 06106-1430  
860-525-4821 (phone) • 860-525-4822 (fax) • [www.lisc.org](http://www.lisc.org)

A property owner, lienholder or other secured creditor, nearby residential or business owner, or nonprofit community development organizations can initiate conservatorship action. The bill gives priority for appointment as a conservator to the bank holding a mortgage on the property. The court can appoint a nonprofit corporation operating in the same city if there is no mortgage or the bank declines to serve as conservator.

H.B. 7277, the land bank enabling legislation, is modeled on statutes in Michigan, Ohio, and New York, where many of the nation's 170-plus land banks are located. This bill will allow municipalities, or groups of municipalities, to create a land bank to facilitate the return of vacant, blighted, abandoned, and tax-delinquent properties to productive use. The land bank can acquire and maintain problem properties and then transfer them back to responsible ownership, consistent with community priorities. Land banks have the power to acquire property at low or no cost, transfer property, hold property tax-free, and clear title and extinguish back taxes. They do **not** have the power of eminent domain.

My colleague from LISC in New York spoke at a recent forum on the legislation here at the Capitol, and spoke about how the land bank in Newburgh, New York, not far from Danbury, is helping to revitalize the depressed downtown, with rehabilitated homes that are attracting new owners and making the city safer and more attractive.

Importantly, H.B. 7277 includes a funding mechanism similar to Ohio's, which allows, but does not require, municipalities to impose fees for nonpayment of property taxes to support land bank operations. Municipalities cannot assess fees for at least 12 months after the property becomes tax delinquent, and cannot assess fees for more than 40% of taxes owed. This mechanism has been critical to the success of land banks serving Cleveland, Toledo, and Pittsburgh.

Connecticut's cities are beginning to revitalize. Municipalities have a window to capitalize on a relatively strong real estate market and federal Opportunity Zones, on-going state investments in affordable housing, and private sector interest in walkable, vibrant neighborhoods.

Thank you for raising these bills. The Connecticut Blight Remediation Coalition strongly encourages you to support both H.B. 7277 and S.B. 1070 to help our small towns, suburbs, and big cities convert dilapidated properties to tax-paying assets that strengthen neighborhoods.

### ***About Local Initiatives Support Corporation (LISC)***

Hartford and Connecticut Statewide LISC assist local community development organizations in creating communities of choice and opportunity - good places to work, do business, and raise children. LISC assembles capital and invests financial and technical resources in order to promote urban neighborhood revitalization, and expand affordable housing statewide. Major goals of LISC include increasing public and private investment in community development, strengthening the capacity of local organizations to implement effective development, and promoting public policy that supports affordable housing and community development.